

Message Text

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12

ACTION EA-14

INFO OCT-01 EUR-25 NEA-14 ISO-00 IO-14 CIAE-00 DODE-00

NSAE-00 NSCE-00 SSO-00 USIE-00 INRE-00 PM-07 H-03

INR-11 L-03 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

AID-20 SAM-01 TRSE-00 OMB-01 DRC-01 /151 W

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O P 180407Z SEP 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 8771

INFO AMCONSUL BIEN HOA IMMEDIATE

AMCONCUL DANANG IMMEDIATE

AMCONSUL CAN THO IMMEDIATE

AMCONSUL NHA TRANG IMMEDIATE

AMEMBASSY BUDAPEST PRIORITY

AMEMBASSY JAKARTA PRIORITY

AMEMBASSY TEHRAN PRIORITY

AMEMBASSY WARSAW PRIORITY

USDEL JEC PARIS PRIORITY

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E.O. N/A

TAGS: MARR VS AFIN

SUBJ: ICCS FINANCIAL CRISIS

1. AT CONSULTATIVE MEETING SEPT 17, HEADS OF ALL FOUR ICCS DELS AGREED UNANIMOUSLY THAT THEY WOULD NOW INSIST ON "NO PARTIAL SOLUTION" OF ICCS FINANCIAL CRISIS. ACCORDINGLY, THEY OVER-RULED A DECISION BY ACTING DIRECTOR GENERAL TO DOLE OUT \$100,000 FROM REMAINING FUNDS TO PA&E WHICH WOULD HAVE BEEN USED TO PURCHASE SMALL AMOUNTS OF GASOLINE AND ENABLE PA&E TO START AT LEAST TOKEN REPAYMENTS TO BANK OF AMERICA. FOUR DELS AUTHORIZED POLISH CHAIRMAN FIJALKOWSKI TO CONTACT CONTRIBUTING PARTIES AT OFFICIAL DINNER HE HOSTING THAT EVENING.

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2. AT DINNER 17TH, FIJALKOWSKI IMMEDIATELY CORNERED RVN CHIEF

DEL GEN HIEP AND EMBOFF, AND SPEAKING WITH DELIBERATION CONVEYED THE ICCS POSITION OF "NO PARTIAL SOLUTION". HE STATED THAT "ANOTHER CHECK FOR \$1 MILLION" WOULD NOT BE A SOLUTION, SINCE ICCS IS ALREADY IN DEBT OVER \$5 MILLION. FIJALKOWSKI SAID THAT POLDEL AND HUNGDEL HAVE ABSOLUTELY NO INTENTION OF CARRYING OUT ANY UNILATERAL EVACUATION OF TEAM SITES AS RESULT THIS SITUATION: ALL DELS HAVE AGREED TO ACT JOINTLY AND ALL DELS WILL CONTINUE TO STAFF EACH TEAM SITE AND REGIONAL HQ AS LONG AS PA&E PROVIDES SERVICES. THEY COULD NOT OF COURSE BE EXPECTED TO REMAIN IN THEM IF THERE WAS NO FOOD, ELECTRICITY, OR WATER. HE STATED THAT IF ALL PERSONNEL WERE BROUGHT INTO SAIGON, IT WOULD BE MUCH CHEAPER TO MAINTAIN THEM HERE THAN IN FIELD: HOWEVER, DELS COULD NOT BE EXPECTED TO KEEP THEM IDLE IN SAIGON MORE THAN A COUPLE OF WEEKS, AND WOULD PLAN TO SHIP THEM HOME.

3. FIJALKOWSKI EMPHASIZED THAT THERE NO POINT WHATSOEVER IN HIS TAKING UP THE ISSUE WITH DRV AND "PRG" SINCE THEY HAD REPEATEDLY AND FORMALLY MADE THEIR POSITION CLEAR THAT THEY WOULD NOT CONTRIBUTE.

4. IN REPLY TO FIJALKOWSKI'S STATEMENT, GENERAL HIEP SAID "DON'T WORRY". GVN HAD APPROVED ICCS BUDGET AND THIS CONSTITUTED COMMITMENT TO PAY ITS SHARE. ANOTHER URGENT MESSAGE TO THE PRIMIN ON THIS NEED WAS IN TRAIN. HE URGED THE ICCS NOT TO TAKE PRECIPITOUS ACTION.

5. EMBOFF NOTED USG HAS ALREADY CONTRIBUTED \$4 MILLION THIS BUDGET YEAR AND HAS SOUGHT TOTAL APPROPRIATION OF \$16.5 MILLION ON ASSUMPTION HANOI WOULD NOT PAY.

6. IRANDEL SADRY LATER INFORMED EMBOFF THAT IN SUBSEQUENT CONVERSATION AT SAME DINNER, SADRY RAISED FINANCIAL ISSUE WITH HEAD OF DRV DEL, WHO REPLIED "AMERICANS HAVE BROKEN THIS PLATE AND THEY MUST PAY THE BILL." DRV HEAD PREDICTED THAT USG WOULD MAKE NEXT CONTRIBUTION ONLY AT LAST MINUTE ON SEPT 26.

7. PA&E HAS OBTAINED STATUS OF ON-HAND FUEL AT ALL FIELD SITES AS OF COB SEPT 17. MOST SERIOUS SITUATION RE DIESEL OIL IS IN BIEN HOA, LAM SON, TUY AN, AND KHANH HUNG, ALL OF WHICH HAVE ONLY ONE DAY'S SUPPLY FOR GENERATORS LEFT. THERE IS ONLY ONE R LIMITED OFFICIAL USE

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TWO DAYS SUPPLY OF MOGAS LEFT IN TAN SON NHUT, HUE, QUANG TRI, PHU BAI, DANANG, PHAN TIET, BAO LOC, AND TRI TON.

8. PRESS IN SAIGON NOW HAS STORY AND IS QUERYING EMB. SO FAR WE HAVE REFERRED INQUIRIES TO ICCS. REUTERS HAS ALREADY FILED.
LEHMANN

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